

**COMMITTEE ON GOVERNMENT REFORM  
SUBCOMMITTEE ON TECHNOLOGY, INFORMATION POLICY,  
INTERGOVERNMENTAL RELATIONS AND THE CENSUS  
CONGRESSMAN ADAM PUTNAM, CHAIRMAN**



**MEDIA ADVISORY**

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**“Federal Grants Management: A Progress Report on  
Streamlining and Simplifying the Federal Grants Process”**

**What: Technology, Information Policy, Intergovernmental Relations and the  
Census Subcommittee hearing on federal grants management**

**When: Tuesday, April 29, 2003, 10:00 a.m.**

**Where: Room 2203 Rayburn House Office Building**

**The purpose of the hearing is to examine the process by which state and local governments, universities, and non-profit organizations determine eligibility for federal grants; how they apply; and how they receive grants once awarded. This hearing will also focus considerable attention on the key reforms intended to simplify and streamline the federal grants process, including the progress and impediments to timely implementation of the Federal Financial Assistance Management Act of 1999 (P.L. 106-107) and the resulting E-Grants E-government initiative.**

**Overview**

The federal government has over 600 federal financial assistance programs at 26 federal agencies. Approximately \$300 billion is sent annually to state and local governments through some 141,000 awards, while about \$60 billion is awarded to universities, non-profits and other groups through approximately 71,000 grants.

The current system for awarding and administering grants is highly decentralized, involving thousands of federal employees. Grants take several different forms (i.e. discretionary and mandatory) and may be further characterized by different types of

grants (research, training, demonstration, services or construction), each with potentially different statutory, regulatory, policy and process requirements.

Despite the growing integration of computer technology into daily business processes in many industries, federal grants processes remain primarily paper-based with disparate processes, forms, and certifications. Although there have been attempts to standardize and simplify policies, none has approached the major reforms outlined in two recent legislative efforts:

#### Federal Financial Assistance Management Improvement Act

Knowing of the need to improve the quality of federal grant management, in 1999, Congress passed the Federal Financial Assistance Management Improvement Act (P.L.106-107). The purpose of the legislation was to improve the effectiveness and performance of Federal grant programs, simplify grant application and reporting requirements, improve the delivery of services to the public and facilitate greater coordination among those responsible for delivering such services.

#### E-Government and E-Grants

Three months later, in August 2001, the President announced an ambitious agenda reforming the management of the government and performance of its programs. Known as the President's Management Agenda (PMA), this challenging endeavor consisted of five government-wide initiatives representing long-standing challenges affecting federal government performance. One of the five components of the President's Management Agenda, the Electronic Government (E-Gov) initiative, set forth to improve customer service and create internal efficiencies by better managing information technology and utilizing cross-agency solutions.

Twenty-four (24) top priority initiatives were selected that were considered most crucial in meeting the E-Government goals set forth by the President. One of those top 24 E-Gov initiatives, known as E-Grants, became the technological "vehicle" utilized to provide a simple unified source to electronically find, apply, and manage grant opportunities. E-Grants also became the management "vehicle" utilized across the federal government to comply with the intent of the Federal Financial Assistance Management Act (outlined above).

The E-Grants effort was further enhanced in 2002 through passage of the E-Government Act of 2002 (P.L.107-347). This legislation moved the concept of electronic government into a legal process and structure under which the government now manages its information technology improvements, including E-Grants. The legislation establishes an office of electronic government to coordinate information technology solutions across agencies and departments, creates a cross-agency e-government fund to help pay for top governmentwide E-Gov initiatives, establishes performance measures for such initiatives, adopts electronic signatures as an acceptable verification method for internet-driven activities, and addresses privacy issues related to data sharing between

governments and agencies. As a result of these legislative changes, E-Grants is now able to proceed forward towards implementation.

### **Witnesses**

The Subcommittee will hear testimony from two panels. The first panel will consist of those responsible for managing federal grants and grants process improvements:

- **Linda M. Springer**, Controller, Office of Federal Financial Management, Office of Management and Budget
- **Dr. Ed Sontag**, Assistant Secretary for Administration and Management, U.S. Department of Health and Human Services (Lead Agency for E-Grants Initiative and P.L. 106-107 Compliance)
- **Paul Posner**, Managing Director, Federal Budget and Intergovernmental Relations, U.S. General Accounting Office

The second panel will focus on the processes, challenges, and responsibilities facing grant applicants and recipients from the government, university and non-profit perspectives:

- **Honorable Karen M. Miller**, President-Elect, National Association of Counties; and Commissioner, Boone County, Missouri
- **Marvin G. Parnes**, Executive Director of Research Administration, University of Michigan
- **Kathy Crosby**, Director of Workforce Development, Goodwill Industries International, Inc.

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